

Mine file

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July 12, 1989

Ms. Barbara Roberts
Assistant Attorney General
State Capitol Building
Salt Lake City, Utah 84114

RE: Utelite Corporation

Dear Barbara:

As per our telephone conversation of July 12, 1989, I am enclosing herewith a plat showing the ownership in Sections 5 and 8, Township 1 South, Range 5 East, SLM, that involves Utelite's operation. In the North half of the Northeast quarter of the Northeast quarter and the Northwest quarter of the Northeast quarter of Section 8 (less 6 acres owned by Utelite), Utelite Corporation has acquired the interest formerly owned by Robert E. Walsh. As a result, Utelite now owns approximately an undivided 19% of the surface of that parcel.

As I indicated during our telephone conversation, Utelite has no greater obligation to its lessors to reclaim than is imposed by State regulations. The operative language is found in paragraph 17 of the mining lease, which provides in part: "During the term of this lease Utelite agrees to abide by all statutes, rules and regulations governing reclamation and the preservation of the environment as they then shall apply particularly to Utelite's operations. Utelite agrees that after termination of this lease Utelite will reclaim the lease premises to the degree and in the manner as then required under applicable government statutes, rules and regulations concerning mine land reclamation as they shall apply particularly to Utelite's operations."

Utelite owns outright far more land than it leases. Accordingly, I anticipate only a small percentage of Utelite's future operations would involve lands owned by the lessors and that should reduce significantly reclamation problems. If you have any questions regarding the foregoing, please let me know.

Very truly yours,


Robert W. Adkins

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Enclosure